DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-021, C-274-807]

Melamine from the People’s Republic of China and Trinidad and Tobago: Initiation of Countervailing Duty Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.)

FOR FURTHER INFORMATION CONTACT: Andrew Medley at (202) 482-4987 or Eve Wang at (202) 482-6231 (People’s Republic of China); Brendan Quinn at (202) 482-5848 or Raquel Silva at (202) 482-6475 (Republic of Trinidad and Tobago), Office III, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION

The Petitions

On November 12, 2014, the Department of Commerce (“Department”) received countervailing duty (“CVD”) petitions concerning imports of melamine from the People’s Republic of China (“PRC”) and Trinidad and Tobago (“Trinidad and Tobago”) filed in proper form on behalf of Cornerstone Chemical Company (“Petitioner”). The CVD petitions were
accompanied by two antidumping duty (“AD”) petitions.\(^1\) Petitioner is a domestic producer of melamine.\(^2\)

On November 14, and November 19, 2014, the Department requested information and clarification for certain areas of the Petitions.\(^3\) Petitioner filed responses to these requests on November 18, November 20, and November 24, 2014.\(^4\)

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (“the Act”), Petitioner alleges that the Government of the PRC (“GOC”) and the Government of Trinidad and Tobago (“GOTT”) are providing countervailable subsidies (within the meaning of sections 701 and 771(5) of the Act) to imports of melamine from the PRC and the Trinidad and Tobago, respectively, and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section 702(b)(1) of the Act, the Petitions are accompanied by information reasonably available to Petitioner supporting its allegations.

The Department finds that Petitioner filed the Petitions on behalf of the domestic industry because Petitioner is an interested party as defined in section 771(9)(C) of the Act. The

\(^1\) See Petitioner’s submission entitled “Petitions For The Imposition Of Antidumping And Countervailing Duties Against Melamine From China And Trinidad And Tobago,” dated November 12, 2014 (“Petitions”).
\(^2\) See Volume I of the Petitions, at 2.
\(^4\) See Letter from Petitioner entitled “Melamine From Trinidad and Tobago/Petitioner’s Response To The Department’s Questions Regarding The Petition,” dated November 18, 2014; Letter from Petitioner entitled “Melamine from China and Trinidad and Tobago/Petitioner’s Response to the Department’s Questions Regarding the Petition,” dated November 18, 2014 (“General Issues Supplement”); Letter from Petitioner entitled “Melamine From China And Trinidad and Tobago/Petitioner’s Response To The Department’s Second General Questionnaire,” dated November 20, 2014 (“Second General Issues Supplement”); Letter from Petitioner entitled “Supplement to Petitions For The Imposition of Antidumping and Countervailing Duties Melamine from China and Trinidad and Tobago” dated November 24, 2014 (“Third General Issues Supplement”).
Department also finds that Petitioner demonstrated sufficient industry support with respect to the initiation of the CVD investigations that Petitioner is requesting.\(^5\)

**Period of Investigations**

The period of the investigation for both the PRC and Trinidad and Tobago is January 1, 2013, through December 31, 2013.\(^6\)

**Scope of the Investigations**

The product covered by these investigations is melamine from the PRC and Trinidad and Tobago. For a full description of the scope of these investigations, see the “Scope of the Investigations” in Appendix I of this notice.

**Comments on Scope of the Investigations**

During our review of the Petitions, the Department issued questions to, and received responses from, Petitioner pertaining to the proposed scope to ensure that the scope language in the Petitions would be an accurate reflection of the products for which the domestic industry is seeking relief.\(^7\)

As discussed in the preamble to the Department’s regulations,\(^8\) we are setting aside a period for interested parties to raise issues regarding product coverage (scope). The period for scope comments is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determination. If scope comments include factual information (see 19 CFR 351.102(b)(21)), all such factual information should be limited to public information. All such comments must be filed by 5:00 p.m. Eastern Standard Time (“EST”) on December 22, 2014, which is 20 calendar days from the

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\(^5\) See the “Determination of Industry Support for the Petitions” section below.

\(^6\) 19 CFR 351.204(b)(2).


\(^8\) See Antidumping Duties; Countervailing Duties; Final rule, 62 FR 27296, 27323 (May 19, 1997).
signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. EST on January 2, 2015, which is 10 calendar days after the initial comments deadline.⁹

The Department requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact the Department and request permission to submit the additional information. All such comments must be filed on the records of the PRC and Trinidad and Tobago AD and CVD investigations.

Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“ACCESS”).¹⁰ An electronically-filed document must be received successfully in its entirety by the time and date it is due. Documents excepted from the electronic submission requirements must be filed manually (i.e., in paper form) with Enforcement and Compliance’s APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

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⁹ According to the Department practice, when a date falls on a weekend or a federal holiday, submissions become due the next business day; see Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended, 70 FR 24533 (May 10, 2005).

Consultations

Pursuant to section 702(b)(4)(A)(i) of the Act, the Department notified representatives of the GOC and the GOTT of the receipt of the Petitions. Also, in accordance with section 702(b)(4)(A)(ii) of the Act, the Department provided representatives of the GOC and the GOTT the opportunity for consultations with respect to the Petitions. Consultations were held with the GOC on November 25, 2014. All memoranda are on file electronically via ACCESS.

Determination of Industry Support for the Petitions

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product. Thus, to

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11 See Letters of invitation from the Department to the GOC and the GOT, both dated November 17, 2014.
13 See supra fn.10 for information pertaining to ACCESS.
determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (“ITC”), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product, they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions).

With regard to the domestic like product, Petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we determined that melamine constitutes a single domestic like product and we analyzed industry support in terms of that domestic like product.

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14 See section 771(10) of the Act.
16 For a discussion of the domestic like product analysis in this case, see Countervailing Duty Investigation Initiation Checklist: Melamine from the People’s Republic of China (“PRC CVD Initiation Checklist”), at Attachment II; and Countervailing Duty Investigation Initiation Checklist: Melamine from Trinidad and Tobago (“Attachment II”); and Countervailing Duty Investigation Initiation Checklist: Melamine from Trinidad and Tobago (“Trinidad and Tobago CVD Initiation Checklist”), at Attachment II. These checklists are dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room 7046 of the main Department of Commerce building.
In determining whether Petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in Appendix I of this notice. To establish industry support, Petitioner provided its own production of the domestic like product in 2013.\textsuperscript{17} Petitioner states that it is the only producer of melamine in the United States; therefore, the Petitions are supported by 100 percent of the U.S. industry.\textsuperscript{18}

Based on the data provided in the Petitions, supplemental submissions, and other information readily available to the Department, we determine that Petitioner has established industry support.\textsuperscript{19} First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support \textit{(e.g., polling)}.\textsuperscript{20} Second, the domestic producers (or workers) met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.\textsuperscript{21} Finally, the domestic producers (or workers) met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.\textsuperscript{22} Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.

\textsuperscript{17} See Volume I of the Petitions, at 2 and Exhibit I-18.
\textsuperscript{18} Id., at 2.
\textsuperscript{19} See PRC CVD Checklist and Trinidad and Tobago CVD Checklist, at Attachment II.
\textsuperscript{20} See section 702(c)(4)(D) of the Act; see also PRC CVD Checklist and Trinidad and Tobago CVD Checklist, at Attachment II.
\textsuperscript{21} See PRC CVD Checklist and Trinidad and Tobago CVD Checklist, at Attachment II.
\textsuperscript{22} Id.
The Department finds that Petitioner filed the Petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support with respect to the CVD investigations that it is requesting the Department initiate.23

Injury Test

Because the PRC and Trinidad and Tobago are “Subsidies Agreement Countries” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to these investigations. Accordingly, the ITC must determine whether imports of the subject merchandise from the PRC and Trinidad and Tobago materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

Petitioner alleges that imports of the subject merchandise are benefitting from countervailable subsidies and that such imports, individually and cumulatively, are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product.

With regard to the PRC, Petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.24 In CVD petitions, section 771(24)(A)-(B) of the Act provides that imports of subject merchandise from developing countries must exceed the negligibility threshold of four percent. Because Trinidad and Tobago has been designated as a developing country,25 imports from Trinidad and Tobago must exceed the negligibility threshold of four percent. With regard to Trinidad and Tobago, the allegedly

23 Id.
24 See Volume I of the Petitions, at 11-12 and Exhibit I-11.
25 See section 771(36)(A) of the Act; see also Developing and Least-Developed Country Designations under the Countervailing Duty Law, 63 FR 29945,- 29948 (June 2, 1998).
subsidized imports exceed the negligibility threshold provided under section 771(24)(B) of the Act.  

Petitioner contends that the industry’s injured condition is illustrated by reduced market share, underselling and price depression or suppression, lost sales and revenues, and adversely impacted production, shipments, capacity utilization, financial performance, and capital expenditures. We assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. In accordance with section 771(7)(G)(ii)(III) of the Act, which provides an exception to the mandatory cumulation provision for imports from any country designated as a beneficiary country under the Caribbean Basin Economic Recovery Act (“CBERA”), we considered Petitioner’s allegation of injury with respect to Trinidad and Tobago, a designated beneficiary under CBERA, independent of the allegation for the PRC and found that the information provided satisfies the requirements for initiation.

Initiation of Countervailing Duty Investigations

Section 702(b)(1) of the Act requires the Department to initiate a CVD investigation whenever an interested party files a CVD petition on behalf of an industry that: (1) alleges the elements necessary for an imposition of a duty under section 701(a) of the Act; and (2) is accompanied by information reasonably available to the petitioner supporting the allegations.

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26 See Volume I of the Petitions, at 11-12 and Exhibit I-11.
27 Id., at 12-16 and Exhibits I-13 through I-20; see also Third General Issues Supplement, at 2-5 and Exhibits 1-4.
28 See PRC CVD Initiation Checklist and Trinidad and Tobago CVD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Melamine from the People’s Republic of China and Trinidad and Tobago (“Attachment III”).
29 See id.
In the Petitions, Petitioner alleges that producers/exporters of melamine in the PRC and Trinidad and Tobago benefited from countervailable subsidies bestowed by the governments of these countries, respectively. The Department examined the Petitions and finds that they comply with the requirements of section 702(b)(1) of the Act. Therefore, in accordance with section 702(b)(1) of the Act, we are initiating CVD investigations to determine whether manufacturers, producers, or exporters of melamine from the PRC and Trinidad and Tobago receive countervailable subsidies from the governments of these countries, respectively.

**The PRC**

Based on our review of the petition, we find that there is sufficient information to initiate a CVD investigation of 21 of the alleged programs.\(^30\) For a full discussion of the basis for our decision to initiate or not initiate on each program, see the PRC CVD Initiation Checklist.

**Trinidad and Tobago**

Based on our review of the petition, we find that there is sufficient information to initiate a CVD investigation of 10 of the 10 alleged programs. For a full discussion of the basis for our decision to initiate or not initiate on each program, see the Trinidad and Tobago CVD Initiation Checklist.

A public version of the initiation checklist for each investigation is available on ACCESS and at [http://trade.gov/enforcement/news.asp](http://trade.gov/enforcement/news.asp).

In accordance with section 703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 65 days after the date of this initiation.

**Respondent Selection**

\(^30\) Additionally, Petitioner alleged various grants received individually by four producers/exporters of melamine. The Department intends to investigate these grants to the extent that these specific companies are selected as mandatory respondents in this proceeding.
Petitioner named 54 companies as producers/exporters of melamine from the PRC and one company as a producer/exporter of melamine from Trinidad and Tobago.\textsuperscript{31} Following standard practice in CVD investigations, the Department will, where appropriate, select respondents based on U.S. Customs and Border Protection (“CBP”) data for U.S. imports of melamine during the period of investigation under the following Harmonized Tariff Schedule of the United States (“HTSUS”) number: 2933.61.0000. For the PRC, we intend to release CBP data under Administrative Protective Order (“APO”) to all parties with access to information protected by APO shortly after the announcement of these case initiations. For Trinidad and Tobago, Petitioner named only one company as a producer/exporter of melamine \textit{i.e.}, Methanol Holdings (Trinidad) Ltd., and provided information from an independent third party source as support.\textsuperscript{32} Furthermore, we currently know of no additional producers/exporters of subject merchandise from Trinidad and Tobago. Accordingly, the Department intends to examine all known producers/exporters in this investigation (\textit{i.e.}, the company cited above). The Department invites comments regarding CBP data and respondent selection within five calendar days of publication of this \textit{Federal Register} notice. Comments must be filed electronically using ACCESS. An electronically-filed document must be received successfully in its entirety by the Department’s electronic records system, ACCESS, by 5 p.m. EST by the date noted above. We intend to make our decision regarding respondent selection within 20 days of publication of this \textit{Federal Register} notice. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on the Department’s Web site at http://enforcement.trade.gov/apo.

\textbf{Distribution of Copies of the Petitions}

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{31} \textit{See} Volume I of the Petitions, at Exhibit I-5.
\item \textsuperscript{32} \textit{See id.}
\end{itemize}
\end{footnotesize}
In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the GOC and GOTT via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each known exporter (as named in the Petitions), consistent with 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiation, as required by section 702(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of melamine from the PRC and/or Trinidad and Tobago are materially injuring, or threatening material injury to, a U.S. industry. A negative ITC determination for either country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

On April 10, 2013, the Department published Definition of Factual Information and Time Limits for Submission of Factual Information: Final Rule, 78 FR 21246 (April 10, 2013), which modified two regulations related to AD and CVD proceedings: the definition of factual information (19 CFR 351.102(b)(21)), and the time limits for the submission of factual information (19 CFR 351.301). The final rule identifies five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information necessary to value factors under 19 CFR 351.408(c) or to measure the adequacy of

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33 See section 703(a) of the Act.  
34 Id.  

remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The final rule requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. The final rule also modified 19 CFR 351.301 so that, rather than providing general time limits, there are specific time limits based on the type of factual information being submitted. These modifications are effective for all proceeding segments initiated on or after May 10, 2013, and thus are applicable to these investigations. Interested parties should review the final rule, available at http://enforcement.trade.gov/frn/2013/1304frn/2013-08227.txt, prior to submitting factual information in these investigations.

**Revised Extension of Time Limits Regulation**

On September 20, 2013, the Department modified its regulation concerning the extension of time limits for submissions in AD and CVD proceedings. The modification clarifies that parties may request an extension of time limits before a time limit established under Part 351 expires, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the time limit established under Part 351 expires. For submissions which are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. on the due date. Examples include, but are not limited to: (1) case and rebuttal briefs, filed pursuant to 19 CFR 351.309; (2) factual information to value factors under 19 CFR 351.408(c), or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2), filed pursuant to 19 CFR 351.301(e)(3) and rebuttal, clarification and

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35 *See Extension of Time Limits: Final Rule*, 78 FR 57790 (September 20, 2013).
correction information filed pursuant to 19 CFR 351.301(c)(3)(iv); (3) comments concerning the
selection of a surrogate country and surrogate values and rebuttal; (4) comments concerning CBP
data; and (5) quantity and value questionnaires. Under certain circumstances, the Department
may elect to specify a different time limit by which extension requests will be considered
untimely for submissions which are due from multiple parties simultaneously. In such a case,
the Department will inform parties in the letter or memorandum setting forth the deadline
(including a specified time) by which extension requests must be filed to be considered timely.
This modification also requires that an extension request must be made in a separate, stand-alone
submission, and clarifies the circumstances under which the Department will grant untimely-
filed requests for the extension of time limits. These modifications are effective for all segments
initiated on or after October 21, 2013, and thus are applicable to these investigations. Interested
parties should review *Extension of Time Limits; Final Rule*, available at
information in these investigations.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to
the accuracy and completeness of that information.36 Parties are hereby reminded that revised
certification requirements are in effect for company/government officials, as well as their
representatives. Investigations initiated on the basis of petitions filed on or after August 16,
2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013,
should use the formats for the revised certifications provided at the end of the *Final Rule*.37 The

36 See section 782(b) of the Act.
37 See Certification of Factual Information To Import Administration During Antidumping and Countervailing Duty
Proceedings, 78 FR 42678 (July 17, 2013) (“Final Rule”); see also frequently asked questions regarding the *Final
Department intends to reject factual submissions if the submitting party does not comply with the applicable revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 702 and 777(i) of the Act.

Dated: December 2, 2014.

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Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.
Appendix I

Scope of the Investigations

The merchandise subject to these investigations is melamine (Chemical Abstracts Service (“CAS”) registry number 108-78-01, molecular formula C₃H₆N₆).¹ Melamine is a crystalline powder or granule typically (but not exclusively) used to manufacture melamine formaldehyde resins. All melamine is covered by the scope of these investigations irrespective of purity, particle size, or physical form. Melamine that has been blended with other products is included within this scope when such blends include constituent parts that have been intermingled, but that have not been chemically reacted with each other to produce a different product. For such blends, only the melamine component of the mixture is covered by the scope of these investigations. Melamine that is otherwise subject to these investigations is not excluded when commingled with melamine from sources not subject to these investigations. Only the subject component of such commingled products is covered by the scope of these investigations.

The subject merchandise is provided for in subheading 2933.61.0000 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheading and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.

¹ Melamine is also known as 2,4,6-triamino-s-triazine; l,3,5-Triazine-2,4,6-triamine; Cyanurotriamide; Cyanurotriamine; Cyanuramide; and by various brand names.